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ABSTRACT

Assistance with paying for the cost of child care often makes the critical difference in whether or not a parent can work to support the family. This annual report provides information on child care assistance programs in Alaska. The 1996 Fiscal Year (FY) funding is presented for four programs providing a portion of low to moderate income parents' child care costs: (1) Day Care Assistance Program; (2) Transitional Child Care; (3) At Risk Assistance; and (4) Child Care and Development Block Grant. Trends in funding for the Child Care Grant, a program providing a business subsidy for child care centers and licensed home, are outlined. Trends in the number of parent referral contacts to Child Care Resource and Referral services are presented. FY 1996 funding for Resource Development grants, which provide funds for caregiver training, is presented by training category. Appended are tables detailing, by community, the number of families and children receiving child care assistance, the number of homes and centers receiving Child Care grant funding, and the number of training or reimbursement units funded through the Resource Development grants. The report notes that child care assistance programs funding remained stable in FY 1996, although fewer families and children were served due to the increasing cost of child care. Child Care Grant Program participation continues to be strong, and funding has remained constant for the last 5 years. Among the challenges Alaska faces in the future is how to allocate limited financial resources. (KB)

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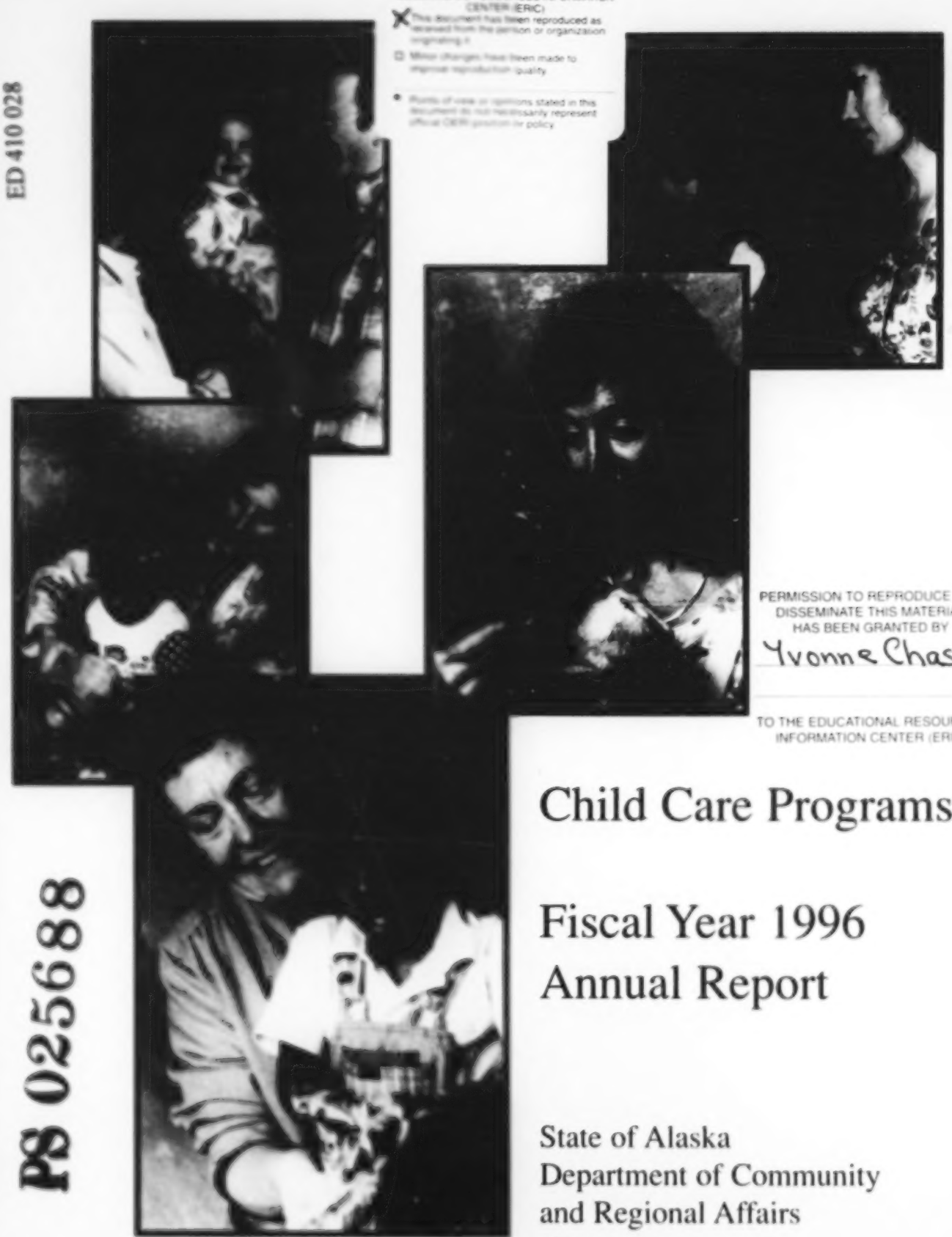

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Child Care Programs

Fiscal Year 1996 Annual Report

State of Alaska
Department of Community and Regional Affairs

PS 025688

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Child Care Programs

Fiscal Year 1996
Annual Report

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MISSION STATEMENT: The mission of Child Care Programs is to promote affordable, appropriate, and accessible child care for Alaska's children which enables parents to work or train and supports child care providers as an integral part of the local economy.

Design and production by Shelley Grant, Child Care Programs

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Introduction

Child care assistance allows low and moderate income Alaskans to work or engage in training that will result in them gaining employment. Assistance with paying for child care costs often makes the critical difference in whether a parent can, in fact, work to support the family.

We should be proud and grateful that Alaska policy makers determined over two decades ago that child care assistance is an essential element in enabling low income parents to work to support their families.

During the fiscal year ending June 30, 1996 the Child Care Programs Office concluded its twenty first year of services to Alaska's children and families. Beginning in 1975 with the Day Care Assistance Program, the Child Care Programs Office has administered child care assistance programs and other child care programs which support children, families and the child care industry in Alaska.

Child care assistance programs funding remained stable in fiscal year 1996. Despite stable funding, fewer families and children were served due to the increasing cost of child care.

Child Care Grant Program participation by homes and centers continued to be strong. The program is an essential supplement to the economic viability of many child care facilities. Funding for the program has remained constant for the last five years.

There will be child care challenges to Alaska in the months and years to come for present day policy makers. Among the challenges will be how to allocate our limited financial resources so as to make the best investments in Alaskan families and economy.

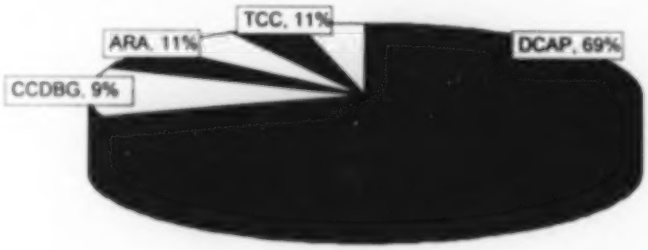
Child care assistance is a very powerful tool which should be a major element in our strategy. Strategically placed investments in Alaska's children will pay large dividends in reduced social problems and enhanced economic viability of families as parents are freed to work to support their families. Few investment options are available to policy makers which have a more positive social and economic impact than child care assistance to low and moderate income families.

Child Care Assistance Programs

Child care assistance programs are an integral part of the economic viability of families and communities throughout the state. The earnings of working parents stimulate local economies and new child care businesses start up to meet the needs of the increased numbers of working parents. These child care resources help attract new employers who strengthen the economic base of communities.

Four assistance programs (see Figure 1) fund a portion of low to moderate income parents' costs of child care: the Day Care Assistance Program *(DCAP)* 1975, Transitional Child Care *(TCC)* 1990, At Risk Assistance *(ARA)* 1991, and Child Care and Development Block Grant *(CCDBG)* 1992.

FIGURE 1.
FY96 CHILD CARE ASSISTANCE FUNDING



STATE FUNDS
FEDERAL FUNDS

TOTAL FUNDING FOR CHILD CARE ASSISTANCE $11.9 MILLION

The programs pay between 25% and 97% of child care costs for parents who are working or training. The percentage of subsidy depends upon the parents' net income, based on income reviews done at least three times each year. As family income increases, the level of subsidy decreases. Parents select their own licensed or exempt from licensing child care provider depending on source of funding. Local governments or other organizations administer the grant funds in each participating community, paying child care providers on behalf of parents.

TABLE 1.
FY96 CHILD CARE ASSISTANCE PROGRAM PARTICIPATION
MONTHLY AVERAGES

PARENTS

WORKING	TRAINING	WORKING AND TRAINING	SEEKING WORK	AVERAGE NUMBER OF PARTICIPANTS/MO.
80%	14%	6%	0%	2,618

CHILDREN

97% SUBSIDY	75% SUBSIDY	50% SUBSIDY	25% SUBSIDY	AVERAGE NUMBER OF CHILDREN/MO.
77%	13%	7%	3%	3,599

PARTICIPATING CHILD CAREGIVERS

LICENSED CAREGIVERS	LEGALLY EXEMPT CAREGIVERS	TOTAL
55%	45%	1,584

Provider Grants

The Child Care Grant *(CCG)* program, operating in Alaska since 1981, provides a small business subsidy for child care centers and licensed homes.

The program acts as a financial safety net for many of these small businesses which often show small profit margins. Recipients must use the money for the long term benefit of the child care facility and the children in care.

As a condition of the program, facilities must be willing to serve children subsidized by the child care assistance programs whose parents pay for the actual time children are in care. This increases child care choices for parents receiving subsidy because caregivers have an incentive to accept these children.

Grant funds support the safe, affordable and high quality child care options needed by working and training parents as they strive for economic independence.
The number of full-time equivalent children in care determines individual payments to caregivers. In FY96, 322 child care homes received on average $129 a month. Center payments received an average of $877 per month.

Centers cared for the greater number of children and so received a large percentage of program funds (78%). Centers reported almost 80% of their funds spent on staff salaries and benefits. Homes and Group Homes reported the majority (72%) of their funds spent on equipment and supplies.

TABLE 2.
CHILD CARE GRANT
FIVE YEAR HISTORY

FISCAL YEAR	FUNDING (IN MILLIONS)	AVERAGE BASE RATE*	FISCAL YEAR PARTICIPANTS HOMES	CENTERS	TOTAL
FY92	$1.862	$23.00	288	223	511
FY93	$1.862	$23.00	292	216	508
FY94	$1.862	$22.00	317	210	527
FY95	$1.829	$22.00	336	203	539
FY96	$1.869	$23.00	322	207	529

* BASE RATES FOR COMMUNITIES IN THE STATE ARE BASED ON GEOGRAPHIC DIFFERENTIALS APPLIED TO THE BASE RATE AS DETERMINED IN AS 14.17.051, AMENDED 1987

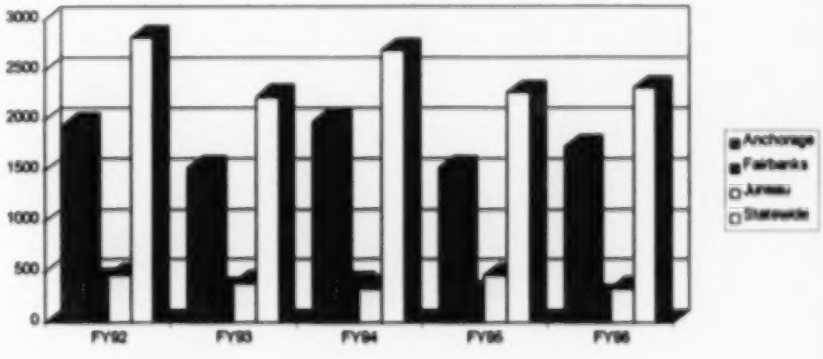
Resource and Referral

Child Care Resource & Referral *(R&R)* grants fund free referral and counselling services for parents who participate in child care assistance programs in the urban areas of Anchorage, Fairbanks, and Juneau. Individual counseling helps parents meet their immediate child care needs, and gives them the knowledge to monitor ongoing care or choose new care as family needs change.

R&R staff collect information on caregivers and inform eligible parents of the characteristics and costs of high quality child care. Parents use the information to seek and maintain child care that is safe, healthy, and appropriate to the unique needs of individual families. The information is also supplied to professional and advocacy groups, and is used in government and business planning.

R&R grants foster economic development by providing a clearinghouse for child care providers to advertise their services to parents, and by maintaining market rate information for prospective caregivers and community residents. The capability to gather, analyze, and share current market information helps make the community more attractive to families and businesses alike. This in turn increases the potential for a continuing cycle of community and economic development.

FIGURE 2.
PARENT REFERRAL CONTACTS BY YEAR



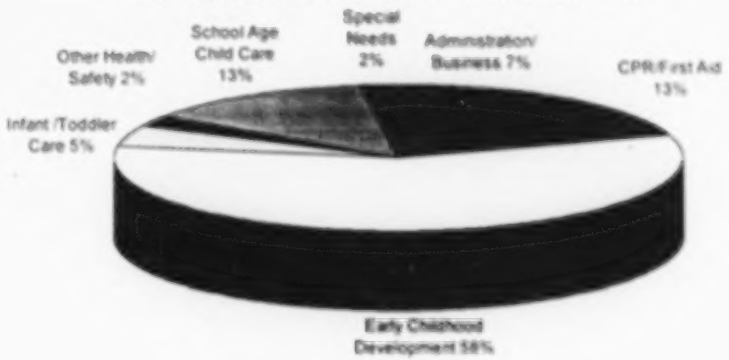
Resource Development

Resource Development *(RD)* grants fund caregiver training that promotes quality child care practices. Professional development opportunities for child care administrators and staff increase opportunities for advancement and promote stability for child care facilities. Grantees tailor training plans for three statewide geographic regions (interior, central/ southcentral, and southeast). Training offered includes formal classroom teaching, workshops, conferences, and on site technical assistance.

RD grantees coordinate training with the state university system and professional child care associations. *RD* grantees also work closely with child care licensing staff to help caregivers get specific training to receive and maintain licenses.

RD grantees receive state training funds for licensed caregivers participating in the state funded Day Care Assistance Program *(DCAP)*. Federal funding for parallel services includes other licensed and caregivers exempt from licensing.

FIGURE 3
FY96 RESOURCE DEVELOPMENT BY TRAINING CATEGORY



APPENDIX 1. CHILD CARE ASSISTANCE PARTICIPATION
FY96 COMPARED TO FY95

Community	Families/Month		Children/Month		Cost	
	FY96 Families	Difference from FY95	FY96 Children	Difference from FY95	FY96 Cost (child/mo.)	Difference from FY95
Anchorage	1194	-3	1679	-1	$294.15	$6.74
Bethel	6	-3	8	-3	$356.07	$42.07
Cordova	12	3	17	2	$266.89	$-39.06
Craig	5	-1	6	-2	$208.15	$-0.20
Delta Junction	6	0	10	1	$157.19	$31.81
Dillingham	5	-2	6	-2	$257.36	$-16.91
Fairbanks	482	-24	708	-45	$244.30	$-3.57
Glennallen	7	4	9	6	$223.10	$-3.87
Haines	5	-1	8	-1	$225.15	$-26.84
Homer	28	-1	46	0	$266.71	$7.31
Juneau	139	-11	205	-5	$287.04	$20.34
Kenai-Soldotna	157	3	239	12	$253.86	$7.25
Ketchikan	53	-1	74	-4	$263.75	$-9.53
Kodiak	48	-1	79	-6	$292.87	$20.89
Kotzebue	15	-2	25	-2	$319.78	$0.98
Matanuska-Susitna	211	-3	339	-12	$264.19	$2.93
Metlakatla	8	-5	14	-3	$232.62	$80.90
Nome	1	1	2	2	$350.67	$350.67
Petersburg	7	1	9	1	$247.39	$4.69
Point Hope	0	-1	0	-2	$211.18	$41.98
Seward	12	1	18	0	$305.48	$16.58
Sitka	49	-2	63	-1	$262.77	$-18.58
Skagway	4	0	6	-1	$347.38	$33.17
Unalaska	2	-3	2	-4	$322.96	$43.39
Valdez	12	-5	16	-10	$241.70	$32.48
Wrangell	11	3	13	3	$241.47	$16.12
Total	**2,479**	**-52**	**3,599**	**-77**	**$275.56**	**$5.37**

Appendix 2. FY96 Child Care Grant Program Fund Activity

Community	Number of Grantees			Total Received	Average FTE* Children Served/Month
	Homes	Centers	Total		
Anchorage	166	94	260	$942,840.81	3,430
Bethel	0	1	1	$12,849.90	32
Cordova	0	2	2	$20,540.07	67
Craig	1	1	2	$5,528.25	20
Dillingham	0	1	1	$3,250.11	9
Fairbanks	48	32	80	$272,697.59	945
Glennallen	0	1	1	$3,864.22	12
Haines	1	2	3	$917.79	3
Homer	8	2	10	$16,662.58	61
Juneau	25	17	42	$151,313.89	551
Kenai-Soldotna	16	7	23	$86,734.03	316
Ketchikan	12	7	19	$47,358.78	173
Kodiak	11	4	15	$38,579.51	129
Kotzebue	0	1	1	$16,267.00	41
Matanuska-Susitna	16	20	36	$137,261.06	499
Metlakatla	0	1	1	$3,164.92	11
Nome	0	1	1	$1,080.98	3
Petersburg	1	1	2	$12,463.97	45
Point Hope	0	1	1	$3,298.31	9
Seward	0	2	2	$15,251.31	56
Sitka	10	6	16	$42,398.13	154
Skagway	2	1	3	$4,035.23	15
Unalaska	0	1	1	$4,070.12	11
Valdez	0	1	1	$9,945.96	33
Wrangell	5	0	5	$8,314.21	30
Total	**322**	**207**	**529**	**$1,860,688.73**	**6,664**

* Monthly Full Time Equivalent - One child attending a facility full time (over 5 hrs. per day) for one month

Appendix 3. FY96 Resource Development Activity

Community	Resource Development Training Units*		Individual Reimbursement Units**		Total Training Units	
	Centers	Homes	Centers	Homes	Centers	Homes
Anchorage	1179	340	635	65	1814	405
Bethel	26		3		29	
Cordova	22		7		29	
Craig			24		24	
Dillingham	10		3		13	
Fairbanks	596	101	185	17	781	118
Glennallen	9		11		20	
Haines	1	6	5	1	6	7
Homer	3	17		11	3	28
Juneau	150	86	39	22	189	108
Kenai/Soldotna	103	46	65	12	168	58
Ketchikan	70	27	10	1	80	28
Kodiak	16	15		4	16	19
Kotzebue	13		23		36	
Matanuska-Susitna	373	35	16	7	389	42
Metlakatla	18				18	
Petersburg	2	4			2	4
Point Hope			1		1	
Seward	37		32		69	
Sitka	65	16	20	2	85	18
Skagway	23		3	4	26	4
Unalaska	5				5	
Valdez	23		8		31	
Wrangell	10		1	8	11	8
Total	**2,754**	**693**	**1,091**	**154**	**3,845**	**847**

* One training unit is one caregiver attending one training activity; a caregiver may attend more than one training activity per year.
** One individual reimbursement reflects payment to one caregiver for 75% of the cost of allowable training and related expenses.

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